

State of California

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Legislative Change No.**99-22**Bill Number: SB 685Author: MonteithChapter Number: 99-348

Laws Affecting Franchise Tax Board:

Revenue and Taxation Code Sections 19225 and 21015.5.Date Filed with the Secretary of the State: September 7, 1999

SUBJECT: Collection Action/Notice Before Levy & After Lien

Senate Bill 685 (Monteith), as enacted on September 7, 1999, conformed, with some modifications, to two provisions of the Taxpayer Protections and Rights contained in the Internal Revenue Service Restructuring and Reform Act of 1998 regarding notification to tax debtors. Additionally, the act added a notification requirement if the FTB holds the collection of an account in abeyance for more than six months. Specifically, SB 685 made the following changes to California law:

- Added Section 19225 to the Revenue and Taxation Code (RTC) to require the Franchise Tax Board (FTB) to notify tax debtors within five business days of filing or recording of notice of a state tax lien that such notice of lien has been filed. During the 15-day period following the filing of the notice of state tax lien, tax debtors may request an independent departmental administrative review.
- Added Section 21015.5 to the RTC to require FTB to notify tax debtors at least 30 days before it intends to levy. The notice must include the proposed actions that may be taken (but does not require itemizing the property) and the laws and procedures relating to the release of levy. The notice must be given by first class mail to the address of record, unless mail to the same address was returned undelivered with no forwarding address, in which case notice is not required. No levies may be made during the 30-day period. If the tax debtor requests an independent departmental administrative review, collection action is suspended during the review period plus 15 days. This act does not apply to jeopardy assessments, but FTB is required to give these tax debtors an opportunity for hearing within a reasonable time. Additionally, if the FTB holds the collection of an account in abeyance for more than six months, FTB is required to mail a new notice to the taxpayer before issuing a levy or filing or recording a notice of state tax lien.

This act is effective January 1, 2000, and is operative for collection actions initiated after June 29, 2000 (180 days after the effective date).

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

10/25/1999